



**St. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**

**ASSESSING THE IMPACT OF ENTREPRENEURSHIP TRAINING  
PROGRAMS IN THE CASE OF GENIUS TRAINING AND  
CONSULTANCY CENTER**

**By**  
**ENDRIS MOHAMMED**

**JANUARY 2015**  
**ADDIS ABABA, ETHIOPIA**

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## **DECLARATION**

I, the undersigned, declare that this research thesis is my original work, prepared under the guidance of Dr. Temesgen Belayneh (assistant professor) at St. Mary's University. All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Full Name

Signature & Date

## **ENDORSMENT**

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

Advisor

**St. Mary's University, Addis Ababa**

Signature

**January 15, 2015**

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## **Acronyms and Abbreviations**

BDS- Business Development Services

CEFE - Competency-based Economies through Formation of Enterprise

CSA- Ethiopian Central Statistical Authority

E.C. - Ethiopian Calendar

EDC- Entrepreneurship Development Centre-Ethiopia

EDP- Entrepreneurship Development Program

EE- Enterprise Ethiopia

EMPRETEC- “Emprendedores Tecnologia” (Entrepreneurs Technology)

ETP- Entrepreneurship Training Program

ETW- Entrepreneurship Training Workshop

GoE- Government of Ethiopia

GTZ- Gesellschaft für Technische Zusammenarbeit (German Technical Cooperation Agency)

ILO - International Labour Organization

INTERMAN- International Network of Management Development

MSE -Micro and Small Enterprises

NGO- Non Government Organization

OECD- Organization for Economic Co-operation and Development

PEC-Personal Entrepreneurial Competencies

PSM- Propensity Score Matching

SIYB- ILO’s Start and Improve Your Business

SPSS- Statistical Package for Social Sciences

UIA- Uganda Investment Agency

UNCTAD-United Nations Conference on Trade and Development

UNDP- United Nation Development Programme

USAID- United States Agency for International Development

WHO- World Health Organization

## ABSTRACT

*The purpose of this study is to assess the impacts of entrepreneurship training programs in the case of a private Training Center in Ethiopia using evaluation research as a disciplined inquiry. This paper is hinged on the goal-oriented evaluation model and covered the training program characteristics, impacts on business performance and business skills transfer. The study targeted 14 percent samples of the 1236 trained entrepreneurs in three years of training programs. Both qualitative and quantitative methods are used to collect data through questionnaires, interviews and actual observations. Manual content analysis and descriptive statistics methods are used to analyze data. The study found that ETPs fairly achieved objectives and have positive economic and social impacts with respect to improved business & entrepreneurial performance, new job creation and expanding national tax base. The findings highlighted that potential entrepreneurs created new startups at average actual startup rate of 24.3 percent and showed growth in sales, profit and asset but mostly at low growth rate. The study also found 577 new jobs are created after training and there is improvement in record keeping skills but relatively low in developing bankable business plan to raise finance for startups and expansions. Finally the research concludes that training alone may not guarantee for business/entrepreneurial success and recommends that other entrepreneurial infrastructures should be enhanced through public-private partnerships.*

**Key Words:** Impact Evaluation, Entrepreneurship Training Program, New Startup, New Job, Entrepreneurial Success, Entrepreneurial Infrastructure, Public-Private Partnership

# CHAPTER ONE

## INTRODUCTION

*Introduction - this provides an appraisal of the purpose and objectives of the impact evaluation, including the contextual background, the scope and limitation of the program under evaluation. It also presents the reader with a signpost for what will be addressed in each of the following sections of the report.*

### **1.1 Background of the Study**

Many developing countries including Ethiopia are in a state of economic transition. These are striving to move from a subsistence-oriented, tightly-integrated, inward-looking local economy to a surplus-seeking, market-led, outward-looking economy. This is mostly done through intensive intervention and development of entrepreneurs.

An entrepreneur is an individual who creates (Bwisa, 2011) something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic and social risks and receiving the rewards of monetary and personal satisfaction and independence (Hisrich, Peters & Shepherd, 2009). Entrepreneurs can play a pivotal role in the economic development of the country. However capital alone is not sufficient for the success of entrepreneurship. Besides economic aspects, the intangibles such as knowledge have become increasingly important in the modern times. Therefore, there is an emphasis on entrepreneurship training and development programs.

Entrepreneurship is defined as the process by which prospective entrepreneurs or entrepreneurs pursue opportunities without regard to the resource that they control (Lekoko and Ras, 2012). Entrepreneurship is seen as the engine driving the economy and this has resulted in a growing interest in the development of education programs that encourage entrepreneurship. Entrepreneurship is also a major source of employment, economic growth and innovation, promoting product and service quality, competition, and economic flexibility (Baumol, 2002; van Stel, 2006). It is also a mechanism, by which many people enter the society's economic and social mainstream, aiding culture formation, population integration, and social mobility (Hisrich, Langan-Fox, & Grant, 2007).

The entrepreneurial revolution has taken hold across the globe and has undeniably. Entrepreneurship is of fundamental importance for economic growth and well-being around the globe and is intensely promoted in developing countries with the intention to fight poverty and unemployment. Moreover, entrepreneurship is of particular importance for developing countries because with its inherent economic potential, it is an effective means of fighting poverty and unemployment (Mead & Liedholm, 1998). Thus, great effort is put into the promotion of entrepreneurship in developing countries. A frequently used approach is the development, implementation, and distribution of entrepreneurship training programs (Martinez et al., 2010). The myth that entrepreneurs are born, no more holds good, rather it is well recognized now that the entrepreneurs can be created and nurtured through appropriate interventions in the form of entrepreneurship development programmes (Keven, 2013; Awasthi, 2011). Furthermore, Keven Johnson (2013) stressed that entrepreneurship *can* be taught and learned by coaching, education and experience. Entrepreneurship development is considered as a very effective and potent tool for wealth creation, employment generation and poverty alleviation (Awasthi, 2011).

Recent years have seen increasing emphasis being placed, by governments across a range of countries, on stimulating greater commitment to enterprise development and entrepreneurial activity, as part of broader economic goals. Although Ethiopia has a long history of entrepreneurship that dates as far back as the medieval and mercantile era, current business trends and the entrepreneurial landscape demands far more sophisticated skills for the competitiveness and survival of the micro and small enterprises (MSEs) operating in the local as well as global markets. Many attempts have been made in recent years to introduce entrepreneurship in a more organized manner to private sector operators in a bid enhance their capabilities and broaden their growth and survival. Most of these efforts intended to focus on the entrepreneurship development as a source of livelihood for the unemployed and the informal sectors. The informal sector of micro and small enterprises which is estimated to comprise 50.6% of economic activity in Ethiopia (CSA, 2003); is disproportionately represented by women and the uneducated poor, pays substantially less than the formal sector and does not support the country's tax base. Therefore, expanding the entrepreneurial activity is the graduating of MSEs to formalized medium enterprises even larger entities will help to alleviate poverty and enhance the country's tax base. Developing an entrepreneurial culture and fostering entrepreneurial attitudes and values has moved high on government agendas. Education and training (including lifelong training) in entrepreneurship and creativity are the preferred instruments for encouraging entrepreneurial behavior in societies, and evidence

suggests that such programmes can have an impact on entrepreneurial activity and enterprise performance (OECD, 2004).

Starting from the early 1990s there were some entrepreneurship training programs (ETPs) and projects coordinated by the Government of Ethiopia (GoE) and sponsored by the Development Agencies and partner governments and institutions. In addition to these sponsored programs, there are private entrepreneurship training programs and business development advisory services. Uddin (1989) witnessed that ETPs are devised for grooming entrepreneurs through entrepreneurial training to develop and strengthen the entrepreneurial quality and competencies of the potential entrepreneurs willing and ready to build their own business or enterprise creation. Since ETPs are an answer to glaring problems of unemployment and poverty which could ensure Inclusive Growth in the country, these private training centers has to be taken into consideration.

Now days there are some ETPs running in Ethiopia sponsored and coordinated by the GoE and Development Agencies as well as private training centers. Despite a global interest in education and training for entrepreneurship, many (if not most) high-profile efforts have not been rigorously evaluated, and global knowledge about these programs' impact remains thin. Even if there are so many entrepreneurship training programs in different countries across the globe, there are few or no studies on the impact assessment of the programs and there is also no standard assessment methods designed so far.

Hence, it is high time that the need to make some assessment on the impacts made by ETPs in general and that of Genius Training Center in particular. On the other hand, evaluating such training programs is of paramount importance, since it guarantees the effectiveness and efficiency of intended plans. Research on pedagogy in entrepreneurship training appears to focus mainly on program design and implementation than on the efficacy of assessment practice (Pittaway, Hannon, Gibb & Thompson, 2009).

The main objective of this research is to assess the impact of ETPs upon the trained entrepreneurs of Genius Training Center taking the year from 2003 to 2005 in Ethiopian Calendar (E.C.) which has covered from 11 September, 2010 to 10 September, 2013. The research evaluates the training programs characteristics, trained entrepreneurs change in business performance and business skills transfer due to the Genius ETW training programs in terms of training content analysis, beneficiaries' satisfaction, number of start-ups, number of existing business improvements, growth in sales, profit and assets, new jobs created, access to finance, business plan development and business record keeping skills transfer.

Therefore, the purpose of this study is to examine the effectiveness of Genius Center in achieving its expected goal to create enterprise creators or entrepreneurs.

Evaluation research approach was used in this study as a disciplined inquiry. It was guided by scientific ideals and employed all the rigorous techniques and principles of scientific research.

The study assesses the impact of the ETPs on behaviors, attitudes, and skills of the entrepreneurs and the impact of those behaviors, attitudes, and skills on their enterprises and how well ETP participants' performance improved due to the program interventions.

## **1.2 Background of the Organization**

There have been many attempts to introduce entrepreneurship training in to Ethiopia since 1985. Then in 1994, after the 5<sup>th</sup> Cycle UNDP Country Program, a Pilot Entrepreneurship Development Program was introduced through the Ethiopian Chamber of Commerce experts to help and strengthen the private sector components. In that pilot program, a total of 122 entrepreneurs have trained (Stevenson & St-Onge, 2005).

After the success of the pilot program in 1999, Enterprise Ethiopia (EE) was formed by the joint cooperation of UNDP, UNCTAD, the Enterprise Africa Regional Office and the Ethiopian Government to promote the entrepreneurial capacity of MSEs through the provision of training, post-training seminars and business development services (BDS). EE operated with a staff of six, using 14 external trainers to deliver its programmes in 13 towns (*ibid*). EE had a 10-day Empretec's flagship entrepreneurship training workshop (ETW) to introduce learners to the entrepreneurial competencies for business start-up and growth. All graduates of EE programmes become members of the Empretec Ethiopia Business Society. After group training is completed, EE provided one-on-one counseling services to each client. EE also offered a 12-day workshop on counseling skills for BDS providers to improve their capacity to serve the MSE market with facilitation and counseling services. A one-week CEFEE entrepreneurship training programmes were also introduced by GTZ in the late 1990s (*ibid*).

A Kiev State University economics academician and an Ethiopian entrepreneur Werotaw Bezabih (PhD) was one of the EE graduates and then the president of Empretec Ethiopia Business Society. He used to serve as a freelance trainer for long time along with Society's members and the Chamber of Commerce experts. With immense passion to disseminate the entrepreneurship concept all over Ethiopia, he decided to establish his own entrepreneurship



training center. Then he founded Genius Training and Consultancy Center in July 8, 2005 ([www.ethiogenius.net](http://www.ethiogenius.net)). The Genius Training and Consultancy Center (hereafter Genius Center) has localized, customized and developed its own core product called Genius Entrepreneurship Training Workshop (ETW) in Amharic language. Genius ETW training offered to introduce learners to the Personal Entrepreneurial Competencies (PECs) for business start-up and growth and help them to develop a diagnostic analysis of their strengths and weaknesses. The Center is offering the Genius ETW for one month with an estimated cost of US\$45 and also additional course such as basic financial management, business planning, time management; and marketing and negotiation skills for three months. The Genius Center has also been giving short-term trainings and lectures to the many Ethiopian universities, organizations and workshops upon invitations.

Since its establishment, the Genius Center has conducted 428 round programs enrolling from 10 up to 40 trainees per program. Up to now the Genius Center has graduated a total of more than 10 thousand entrepreneurs with Genius ETW training programs and it has given special and on-demand trainings and lectures to tens of thousands of different organizations' employees, MSE operators and associations and university students.

The Genius Center has the vision to disseminate the entrepreneurial culture in Ethiopia with the objective of developing one million entrepreneurs by 2030 mainly through Genius ETW and by publishing books, audio & visual CDs and DVDs experience sharing seminars (*ibid*).

The Genius Center has published seven books in Amharic, English, Tigrigna and Oromiffa languages; seven audio/visuals CDs/DVDs, and conducted 107 evening seminars in collaboration with Ethiopian Empretec Business Society and Chamber of Commerce (*ibid*).

### **1.3 Statement of the Problem**

As it was already stated in the previous section, entrepreneurship trainings are generator of a given economy by stimulating innovation, creating competition, contributing significant role in employment creation, contributing to export. Baker (2000) stressed that many governments, institutions and project managers are reluctant to carry out impact evaluations because they are deemed to be expensive, time consuming and technically complex, and because the findings can be politically complex, particularly if they are negative. Many evaluations have also been criticized because the results come too late, do not answer the right questions, or were not carried out with sufficient analytical rigorous (*ibid*).

The main objective of training programs is to make the Genius ETW trainee an enterprise creator. Hence, it seems necessary to assess whether, the objectives of ETWs are fulfilled. In simple words, there is a need to have a retrospective look into how many participants have actually started their own enterprises or expanded their existing businesses after completing the training. This calls for the impact evaluation of training programs.

One of the main objectives of this study is to evaluate the effectiveness of the Genius ETW training programs. Specifically, the thesis aims to assess if participants who undertook ETW training performed better in some aspects of entrepreneurship (attitudes, skills, and behaviors) compared to the pre-training situations. Hence, the term 'evaluation' is used here in regard to the impact of the Genius program. Although the study uses the term 'evaluation' as "the process of attempting to assess the total value of training; that is, the cost, benefits and general outcomes which accrue to the organization as well as the value of the improved performance of those who have undertaken training" (World Bank, 2002), due the constraints of time and finance, the study focuses on the 'improved performance' aspect of evaluation. In short, the evaluation assesses how well ETP participants' performance improved than before. Therefore, this research study is impact evaluation of the programs that assesses the potential to achieve the intended goals taking one year graduates as a study population.

Thus, the research will assess or evaluate the impacts of the training programs upon the graduated entrepreneurs to achieve the intended goals of the Genius Center.

Based on the ETPs objectives, the impact assessment or evaluation will cover the key performance indicators such as training program characteristics, business or entrepreneurial performance and business skills transfer adapted from Uganda Investment Agency (2010) & Awasthi and Sebastian (1996).

#### **1.4 Basic Research Questions**

An attempt will be made in this research study to provide answers to the following research questions.

- 1] How efficacious are the Genius Training Programs to bring feasible impacts upon trained entrepreneurs?
- 2] To what extent has the Genius training programs led to better business performance and business skills transfer?
- 3] What is the best way of evaluating the efficacy of an ETP upon trained entrepreneurs in Ethiopia?

## **1.5 Research Objectives**

Though main focus has given on the program design and implementation entrepreneurship programs there has been little effort on the efficacy of assessment practice.

Hence, the main objective of this study is to assess the impacts of ETPs upon trained entrepreneurs at the Genius Center.

Specific objectives of the study are:

- 1) To assess the Genius entrepreneurship training program characteristics.
- 2) To assess the business performances of trained entrepreneurs after Genius ETP trainings.
- 3) To assess if there is business skills transfer after taking the Genius training programs.
- 4) To review the international best ETP evaluations practices and identify one model for the case of Ethiopia.

## **1.6 Significance of the Study**

Stake (1980) suggested that the purpose of evaluation should be to produce information that can guide decisions about modifications to a certain program.

Considering the importance of entrepreneurship training, its contribution to the overall understanding of the research topic, the findings of this research will contribute to the better understanding of current entrepreneurship training practices at Genius Center. The study will also propose some specific, practical and valuable possible recommendations and solutions to those problems in the study area.

For the policymakers it will help to measure the impact of the private training programs, because impact analysis is used to provide information of the impacts of an individual program and/or institutional framework within a country for promoting entrepreneurship.

This research will have a significant contribution in the literature of the impact assessment of ETPs particularly in Ethiopia, where it will be used as a good starting point for researchers.

## **1.7 Delimitation/ Scope of the Study**

Although the topic of this research study offers great research opportunities, it is necessary to define its scope in order for the study to remain manageable.

The scope of the research will be limited only to the training programs conducted by Genius Center in the year 2003-2005 E.C. who have undertaken Genius ETW trainings due to the

obviously time and financial budget constraints to conduct on other programs over the longitudinal time frame. Therefore, this research has a point of post-training measurement of 2-4 years after training interventions.

Even though there are many measurement factors for the impact assessment of training programs, this research will take only the ‘hard’ impact assessment (summative) factors; change in performance. So it doesn’t cover directly the ‘soft’ impact assessment (changes in attitude) due to the lack of successive longitudinal assessment of the trained entrepreneurs.

### **1.8 Limitation of the Study**

A number of limitations were encountered during the data collection period and these include:

- i. Even though such type of business researches have longitudinal nature, the tight schedule accorded to this study has forced the researcher to use cross-sectional study in the sense that all relevant data was collected at a single point in time;
- ii. The lack of research budget along with short time forced the researcher not to use personally administered questionnaires over successive stages of longitudinal time;
- iii. The lack of previous research documents on the evaluation of Ethiopian entrepreneurship training programs.
- iv. Some trained entrepreneurs were not interested to give telephone interviews and they replied as they were so busy.
- v. Some trained entrepreneurs may not have given truthful information especially if there had not been a significant change in their lives since the training. This was largely so when no business had been started since the training or the lack of prevalent improvement in the existing business.

### **1.9 Organization of the Research Paper**

This study will be organized in to five chapters. The first chapter contains background of the study and organization, statement of the problem, objective of the study; and scope and limitation of the study. The second chapter present review of literature both theoretical and empirical aspect. The third chapter provides briefly about methodological part that is adopted to achieve the objective of the study. The fourth chapter will depict about results and discussion; and the last chapter portrays the conclusion and recommendation of the study respectively.

## CHAPTER TWO

### REVIEW OF RELATED LITERATURE

*Introduction - This chapter will discuss the theoretical framework and empirical research works done on this aspect. In the first part, some theoretical bases are discussed and then previous literatures findings will be presented.*

#### **2.1 Theoretical Literature**

##### **2.1.1 Overview of Entrepreneurship Training**

Entrepreneurship Education and Training programs can be classified under two related but distinct categories: education and training programs. Broadly speaking, both aim to stimulate entrepreneurship, but they are distinguished from one another by their variety of program objectives or outcomes. While differing from program to program, entrepreneurship Education programs tend to focus on building knowledge and skills about or for the purpose of entrepreneurship. Entrepreneurship training (ET) programs, by contrast, tend to focus on building knowledge and skills, explicitly in preparation for starting or operating an enterprise (Valerio, Parton, and Robb, 2014).

Attempts to provide a precise definition of entrepreneurship training program tend to stress that it relates to the development of one or more of a combination of attitudes, personal qualities, and formal knowledge and skills (OECD, 2010).

A more agreeable term "entrepreneurship training program" (ETP)—meaning any set of structured courses designed to inform, train, and educate those interested in participating in socio economic development through projects aimed at business awareness and creation or at the teacher training—has been adopted by three international organizations, namely, the International Network of Management Development (INTERMAN), the United Nations Development Programme (UNDP), and the International Labour Organization (ILO) in Geneva (Adjimah and Perry, 2014).

Entrepreneurship training has to be distinguished from other educational interventions that are frequently used in the developing world to promote entrepreneurship. Besides

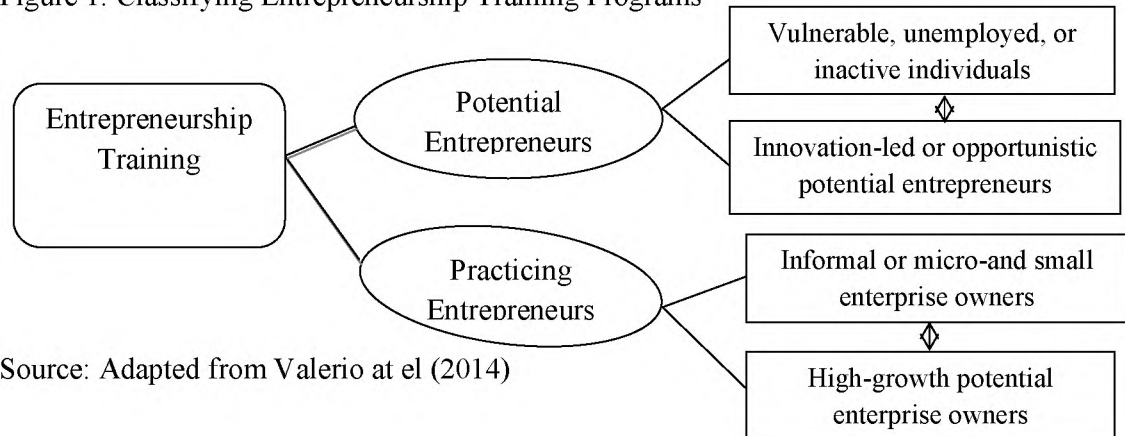
entrepreneurship training programs, these interventions involve academic entrepreneurship programs, coaching (counseling and advising services) and hybrid forms that combine entrepreneurship education with providing some form of assets (Katz, 2007).

The roots of entrepreneurship training in the developing world began with the work of McClelland and his colleagues. In the 1960s in India, they developed a training intervention that was designed to encourage the need for achievement motive (i.e., an individual's urge to excel, consisting of preference for moderate risk, initiative, and a desire for feedback): the Achievement Motivation Training. McClelland and Winter (1969) rigorously evaluated this training program and found positive effects on achievement motivation and entrepreneurial success. Encouraged by these positive results, the Indian Small Industries Extension Training Institute started to intensely promote the Achievement Motivation Training. Step by step, new components such as business planning and bookkeeping were added to the original Achievement Motivation Training and the name was changed into "Entrepreneurship Development Program". Today there are approximately 700 institutions in India that provide Entrepreneurship Development Programs. Since McClelland and colleagues' pioneering work on the Achievement Motivation Training, various entrepreneurship training programs have been developed and implemented in developing countries. The most widespread of such training programs are the GTZ's CEFE ("Competency-based Economies through Formation of Enterprise"), the ILO's SIYB (Start and Improve Your Business") and the UNCTAD's EMPRETEC ("Emprendedores Tecnologia") training program, all of which are distributed across different continents and joined by tens of thousands of participants each year. The established entrepreneurship training programs vary in terms of target, content and duration. The majority are broadband interventions that, on average, have duration of about two weeks. They usually involve business management skills like business plan development, marketing, or book-keeping and psychological factors such as motivation, creativity, or proactivity, frequently they employ follow-up interventions (e.g., personal counseling), and sometimes provide some form of assets (e.g., financial help, working tools).

Entrepreneurship training programs also target a range of potential and practicing entrepreneurs who are not part of formal, degree-granting programs. Potential entrepreneurs targeted by entrepreneurship training programs can include, at one end of the range, vulnerable, unemployed, inactive individuals or necessity-driven potential entrepreneurs, and at the other end, highly skilled, innovation-led, or opportunistic potential entrepreneurs. Likewise, the range of practicing entrepreneurs runs from individuals owning informal,

micro- and small enterprises (MSEs), all the way to high-growth potential enterprise owners (Valerio et al, 2014).

Figure 1: Classifying Entrepreneurship Training Programs



Source: Adapted from Valerio et al (2014)

### 2.1.2 Entrepreneurship Training Models

There are different entrepreneurship training models around the globe and new training models are emerging through research institutions, development agencies, governments, training centers and individuals. The following are some of the Models that are under training in developing countries:

**EMPRETEC Model:** EMPRETEC is a UN-funded entrepreneurship training program, based on USAID-funded research, undertaken by Management Systems International and McBer and Company. It has been implemented as the Entrepreneurship Development Program (EDP) by Management Systems International in about 40 countries. The underlying principle of EMPRETEC is that entrepreneurship is a set of behaviors and practices that can be observed and acquired. The behavioral approach to entrepreneurship suggests that the proclivity and facility with which an individual manifests these behaviors can be significantly strengthened in individuals by appropriate exposure and training. Equally important, the behavioral approach suggests that entrepreneurial acumen can be meaningfully and accurately assessed by measuring the extent to which an individual demonstrates key entrepreneurial behaviors.

In the attempt to profile the mindset and behavioral traits of entrepreneurs, a set of qualities has been evolved by behavioral scientists and is collectively called Personal Entrepreneurial Competencies (PECs). A research by McClelland (1961) identified 14 PECs which appear to characterize the behavior of successful entrepreneurs. The study also found that these PECs transcended culture, country and continent. These competencies were grouped into 3 main

clusters (the achievement, the power and the planning cluster) and the EMPRETEC model has merged some of these competencies to derive 10 PECs: 1) opportunity seeking; 2) persistence; 3) commitment to work contract; 4) risk taking; 5) demand for efficiency and quality; 6) goal setting; 7) information seeking; 8) systematic planning and monitoring; 9) persuasion and networking; and 10) self -confidence (Diaz, 1993). The research and subsequent testing identified three behaviors for each PEC and gives 30 behavioral indicators found to be most useful for detecting and strengthening entrepreneurial potential.

Among many others some models like the ILO's Start and Improve Your Business (SIYB) model, the GTZ's CEFE model, the Global Entrepreneurship Monitor (GEM) Model, the Kauffman's Foundation Model and Singapore Entrepreneurship Model that have different training philosophies and target groups can be mentioned but mostly not used in Ethiopia.

## **2.2 Training Program Evaluation**

Evaluation can have both backward and forward looking purposes. It can be designed to tell us what outputs and outcomes were generated by a program (what is called *summative evaluation*). But it can also explain how, why, and under what conditions a policy intervention worked, or failed to work (i.e. *formative evaluation*). Formative evaluations are important for determining the reasons for effective implementation and delivery of policies, programmes or projects. For example, the findings of a *formative* evaluation process can provide valuable feedback on issues such as the planning and design of courses, as well as aspects of the content and the teaching methods employed (OECD, 2009).

At the outset, evaluation should be considered as a means for assessing the extent to which the objectives of the initiative are being met efficiently, effectively and economically.

A number of methodologies may be considered when undertaking an evaluation of education for entrepreneurship programs (*ibid*). These include:

- *Experimental* approach- where people are randomly assigned to either a “treatment” group, composed of those participating in some form of education for entrepreneurship activity, or a “control” group composed of individuals who do not participate in the activity;
- *Non-experimental* methodology-which often involves a before and after comparison of the same individuals; or a comparison of independent groups of people, one of whose members are exposed to a treatment, to a similar group not exposed to the treatment;
- *Matching-which* attempts to pair each individual in the treatment group to a member of the control group who has similar characteristics;



- *Propensity Score Matching* (PSM)-which makes it possible to match along a single measure (the propensity score), which summarizes these differences;
- *Difference-in-difference* approach-which combines matching with *before and after* treatment comparison.

When considering methods to evaluate the long-term impact of these programs, the difficulties of establishing causality should not be underestimated. A principal requirement for evaluating an impact is establishing that a difference in one or more relevant outcomes is caused by a particular treatment.

### **2.3 Training Programs Evaluation Models**

A literature search has revealed a number of training evaluation models that try to assimilate levels of evaluating training programs. For the purpose of this thesis, two models have been chosen: Kirkpatrick (1999) and Brinkerhoff (1988). The two evaluation theorists provide the most detailed work to date, and their works have been used widely since their development. These two models were analyzed and compared, in order to select appropriate elements from both, for use in evaluating the training program.

#### **The Kirkpatrick Model**

In the latter 1950s, Kirkpatrick developed a training evaluation model, which became popular and enjoyed widespread adoption by many different organizations worldwide. The Kirkpatrick (1999) framework provides the most detailed articulation of the evaluation approach, and parts of his latest model have been adopted for this study.

Kirkpatrick's model outlines four categories for measuring training outcomes. Each category is termed “step,” and these steps are 1) learner reactions, 2) learning, 3) learner behavior and 4) business results/ success (ibid). Kirkpatrick suggests that the four steps, or levels, represent a sequence of ways to evaluate programs.

The four levels in the Kirkpatrick (1999) model follow.

Step 1- Reactions - 'Reactions' are the trainees “liking of” and “feelings for” a training program. A reaction measure is described in attitudinal/customer satisfaction rather than behavioral terms. This can be seen as, course/program satisfaction assessment.

Step 2- Learning -'Learning' is defined as “principles, facts and techniques understood and absorbed” by trainees (Kirkpatrick1999). On this level, evaluation measures the extent to

which participants change attitudes, improve knowledge, and/or increase skill as a result of participating in a training program, three changes which, Kirkpatrick views as essentials that a training program must accomplish. Kirkpatrick argues that one or more of the above changes must take place if a change in behavior is to occur. He states that in order to evaluate learning, the specific objectives must be determined. This level is helpful in assessing whether or to what extent the training program is effective.

Step 3 - Behavior - this change is in behavior. 'Behavior' is defined as “using learned principles and techniques on the job” (Kirkpatrick 1999). This level of assessment measures how people behave as a result of training. Hence, entrepreneurs who had been through the ETP should be able to exhibit entrepreneurial behavior as set out by the ETP curriculum objectives.

Step 4- Results/ Success - 'Results' are referred to as the “ends, goals, or results desired” (Kirkpatrick 1999). Kirkpatrick contends that these results are the reasons that some training programs exist; therefore, the objectives of the training program need to be stated in terms of the expected results. Level 4 of Kirkpatrick’s model is the most difficult level of evaluation.

The results are measured according to the objectives that were stated prior to the delivery of the training program. Kirkpatrick states, measuring effectiveness of the ETP within the entrepreneurship domain on topics such as evaluation of opportunities and competitiveness may prove difficult.

The model is arranged in order of activities. It first evaluates reaction, then learning, behavior, and results, with corresponding four levels of outcome for any training program.

Kirkpatrick prescribes a separate evaluation for each level to answer questions such as: - (Level 1) Did trainees react favorably to the training - did they like it? (Level 2) Did trainees learn? (Level 3) Did trainees use what they learned? (Level 4) Did using the learning make a difference? He emphasizes the importance of each level.

The model has been viewed by many authors as being straightforward, simple, and step-by-step. However, the model has been criticized for its narrow focus. Brinkerhoff (1988) argues that the model is entirely outcome-oriented and reflects a bottom-line bias and was not legitimate in some way. In Brinkerhoff's view, evaluation of training programs should be conducted even during the time when programs are running-well before they have had a chance to produce results, because looking for effects only after the program is to perpetuate trial-and-error learning (Brinkerhoff, 1988).

## **The "Integrated Evaluation Model"**

Kirkpatrick's model is based on specification of four different levels of evaluation. Other models have been developed using his model as a base. The integrated evaluation model by Brinkerhoff (1988) suggests six levels, and it ties evaluation into every part of the training process. Brinkerhoff (1988) argues that evaluation can help programs succeed, as well as measure whether or not they succeeded, but this two-fold result can happen only if evaluation is made part of the program development process. Brinkerhoff (1988) adds two presage factors focused on evaluating the design and concepts of the program prior to and during initial implementation. In his view, programs should be designed to produce beneficial results on an organizational level.

The Brinkerhoffs integrated evaluation model has six main stages, as follow:

- Stage 1- a need problem, or opportunity work- there is a need or opportunity for addressing issues that could be influenced favorably by someone learning something
- Stage 2- there is a human resources program capable of teaching what is needed, or what is designed
- Stage 3- the organization successfully implements the designed programs
- Stage 4 - the participants exit the program after successfully acquiring the intended skills, knowledge or attitudes
- Stage 5 - the participants retain and use their new learning
- Stage 6- the organization benefits when participants retain and use their learning.

In Brinkerhoffs view, the six-stage approach can show clearly whether programs benefit an organization, and if so, how. He believes that the approach can also help the evaluator trace any failures to one or more of the six stages (*ibid*).

The six-stage model follows the traditional evaluation model in that its stage 1 assesses needs, stage 2 evaluates the design, stage 3 evaluates the procedures, stage 4 evaluates how much the trainees have learned, stage 5 assesses retention and learning transfers, and stage 6 evaluates the impact of the training program to the organization.

## **2.4 ETPs Evaluation Approaches**

Some research has been conducted in the developing world to assess the impact of entrepreneurship trainings. Harper and Finnegan (1998) reviewed evaluation studies on three

selected training programs that involve psychological factors. They concluded that the training programs seemed to positively affect entrepreneurial success.

In addressing the evaluation of entrepreneurship programs, it was important to take into account of the following four objectives (OECD, 2009):

- To increase the awareness of politicians and public officials of the benefits from having an evaluation culture;
- To disseminate examples of good micro evaluation practice at national and sub national levels;
- To highlight key evaluation debates: Who does evaluation? What procedures and methods should be used? When to do evaluation? What about the dissemination of findings? Should all policies be disseminated in the same way?
- To make a clear distinction between policies that operate at the micro level, i.e SME and entrepreneurship specific policies, and those that operate at the macro level, i.e. mainstream policies that nonetheless influence SMEs and entrepreneurship.

The aim of many of these programs, as well as informing participants about entrepreneurial activity and behavior, is to generate a shift in attitudes towards entrepreneurship. This makes it more difficult to ascribe quantifiable measures, so that, instead of “hard” outcome/impact evidence (such as the numbers initiating a business start-up), attempt has been made to gauge “soft” outcomes (such as changes in attitude) by OECD (2009) evaluation guide. It may be argued that this level of complexity, and the difficulties of measuring this change, is one of the reasons for the relative scarcity of robust findings from rigorously applied evaluations of entrepreneurship programs.

The limitations of evaluating entrepreneurship programs are also highlighted by Lewis (2002), who asserts that “all enterprise education programs have different characteristics and are delivered in a variety of different contexts (cultural and educational)”, thereby severely constraining any attempt to generalize on the basis of findings from a single study.

There is no single approach to the evaluation of ETPs, and therefore no single model which can be applied in all situations (OECD, 2009). It is more appropriate to think of evaluation in terms of a range of options or tools which can be selected and used according to the measure or program being assessed. It will comprise a combination of qualitative and quantitative options. For example, quantitative measures of success, akin to traditional output-related

performance indicators, may be used in conjunction with qualitative assessments of attitudinal or perception shifts (*ibid*).

## **2.5 ETP Evaluation Methods**

Gibb (1997) doubts whether a definitive answer can ever be found to the question of effectiveness in terms of payback (cost-benefit analysis), moreover, Wyckham (1989) has noted that there has been difficulty in identifying appropriate output measures of such programmes as well as in determining causality.

The limitations of adopting a purely subjective approach to evaluation are highlighted as follows by Westhead, Storey & Martin (2001). *First*, there is the issue of whether the participants on a particular training are representative of the target population as a whole. *Second*, respondents to a survey can be tempted to give answers that they feel the evaluator wants, instead of an honest response. *Third*, the impact of a programme can only be judged by comparing it with what would have happened had the respondent not participated in the training. *Fourth*, failure to take into account the personal characteristics of individuals might lead to an exaggeration of the effectiveness of a programme. *Fifth*, researchers should appreciate that participants self-select participation in programmes, which can lead to inaccurate assessments being produced in the evaluation of courses. *Sixth*, the subsequent behavior of respondents is actually more informative than the reporting of their opinions. McMullan, Chrisman & Vesper (2001) indicate that it is likely that most evaluations will continue to employ this approach. Storey (2000) also advocates such an approach, but suggests that the most appropriate way to assess the effectiveness of support programs is to include a control sample of matched firms that are identical on the basis of age, sector, ownership and geography. Ideally such matching should take place before a program commences so that the two groups can be monitored over time.

In practice however, such conditions may be difficult to satisfy. Even if such a methodological approach is adopted, researchers need to be aware of inferential problems, so despite the fact that the matching characteristics of the two groups are kept constant, there may be other ways in which they differ. With specific reference to participation in courses and programs, Storey (2000) suggests that motivation and selection might be differentiating factors.

The following methodological literature about evaluation approaches can be summarized:

- Storey (2000) and McMullan et al. (2001) suggest that the best means by which to evaluate training courses is to relate program outcomes directly to objectives.
- Positive position- Wyckham (1989) notes that no universally accepted criterion, which can be used to evaluate the effectiveness of such programs, has yet been identified.

Wyckham has argued that such programs are measured in three ways. First, the knowledge and skills of students are assessed through examination. Second, courses and teachers are evaluated through student evaluation surveys. Third, after the course has been completed, data on the employment and income status of the graduate participants can be obtained and evaluated.

- Subjective or questionnaire approach. Westhead et al. (2001) and McMullan et al. (2001) observed that initially researchers attempting to assess the outcomes of training programs asked participants for their views.
- Longitudinal Study- one means of measuring the behavior of participants following completion of a training course is to employ a model such as that advanced by Jack and Anderson (2001). This is a five-step framework for assessing the effectiveness of entrepreneurship education and training programs based on an earlier version developed by Block and Stumpf (1992). The model is comprehensive and emphasizes the measurement and impact of different elements of training courses over time, from the outset of a program to beyond its completion. A number of authors have noted the lack of longitudinal studies conducted within the area of education and training for new business creation and a clear need to evaluate such programs over time has been identified (Clark, Davies and Harnish (1984); Fleming (1996); Westhead and Storey (1996); Wyckham (1989)).
- Evaluation must be adapted to the objectives and entrepreneurial competencies to be developed (European Commission, 2008).
- Causality approach- Assessment of the relation between cause (Venetoklis, 2002) and effect (Hytti and Kuopusjarvi, 2004).

## **2.6 ETPs Evaluation Metrics**

Monitoring & evaluation provides a systematic assessment of whether or not a program is operating in conformity with its design and whether or not it is reaching the target group.

Based on the literature review, the monitoring studies frequently aimed at measuring and reporting the following: number of participants, recognition of participants (who they are), numbers of those returning to further training ('satisfied customer'), costs/participants (linked to economic efficiency), number of failed ones, strengths and weaknesses of the program.

Whereas, impact evaluation gauges the extent to which a program instigates change towards the desired direction. This implies that we are not only interested in the effects, but also on their direction (Diamond-Spence, 1983). There are four ways of measuring impact:

- Several authors suggest measuring start-ups, new ventures, entrepreneurs and jobs (European Commission, 2008). The start-up measure is suggested because it is concrete & relatively easy to measure.
- The measurement of attitudes, perceptions and intentions is frequently applied in programs where the time lag is important in making it difficult to observe or to account for start-ups (Volkman, 2009; Hytti et al., 2004). Hytti et al. have interpreted that the underlying idea with measuring attitudes, beliefs and intentions is derived from the theory of planned behavior (Ajzen and Fishbein, 1980).
- Analysis of the causes for impacts. There is a need to assess the Causality relationship between the effect- in example, the emergence of start-ups - and the cause, an intervention aiming at increasing the number of start-ups, or if the companies would have been established irrespective of the intervention. The success rate of the program will be better when the participants selected possess the necessary basic skills or motivation levels (Greimel, 1998).
- The quality of the start-ups and new workplaces (Volkman, 2009)- Increase in knowledge and development of skills is measured by assessing if the participants have learned to generate good business ideas and write successful business plans.

McMullan et al. (2001) advance the view that the objectives of courses for new business creation should be 'primarily economic' and, as such, 'appropriate measures could include businesses started or saved, revenue generation and growth, job creation and retention, financing obtained and profitability'. Diamond and Spencer (1983) divide economic efficiency studies into two different approaches: cost-benefit analysis, measurement of costs against the monetary value of the benefits and; cost-effectiveness: measurement of costs against the qualitative achievements understood as the progress towards goal achievement.

The *start-up measure* alone is considered to be too limited. It is necessary to take into account causality. To produce a large number of start-ups is not enough. It was suggested that measures should be put in place to assess the quality of the companies e.g., sustainable start-ups, or start-ups that are entering prospering or dead-end markets- traditional service sector or in the high-tech sector (Rosa, 2003). Furthermore, the *number of jobs created* (and the quality of these jobs) was also suggested as a measure reflecting also the question of ‘quality’ of these companies (Volkman, 2009). A processual approach is suggested to measure the different steps in the process starting from changes in skills, motivation and intentions (Hytti et al, 2004).

A research done by Volkman (2009) on university students suggests that indicators for measuring the performance of university-business links include commercialized inventions, the number of new patents or licenses, revenues and the number of workplaces created by the new start-ups.

The evaluation of quality and effectiveness according to the point of view of the experts must be adapted to the objective and to the entrepreneurial competencies to be developed (*ibid*). If the objective is to develop the entrepreneurial intention, the program quality can be assessed through a questionnaire assigned to students to understand their perceptions of entrepreneurship, their self confidence to engage in an entrepreneurial activity and their perceptions of their capacity to detect opportunities and to exploit them.

If the objective is to learn how to engage in start-up activities, the evaluation can be based on student's performance in developing and presenting a business plan and their capacity to sell their project. However if the objective is to develop soft entrepreneurial skills, it will be more difficult to assess the quality of the program, as little is known about the required entrepreneurial competencies and how to measure them. In this case, the assessment of the program quality should be related to the pedagogies and the methods used.

## **2.7 Empirical Literature**

The main objective of these ETPs is to train and develop enterprise creators. It is clear that the problems are not with the strategy but with its implementation. Clearly, the aims and objectives of programs determine the outcomes which are sought, and which, in turn, provide indicators which an evaluation should seek to measure or assess. For example in India alone, hundreds of ETPs are conducted by more than 700 organizations to impart entrepreneurial training to participants in thousands (Gupta, 1990). But so far some 16 evaluation studies



have been conducted by various organizations and individual researchers. One of the most comprehensive evaluation studies on ETPs was the one carried out by the Entrepreneurship Development Institute of India, Ahmedabad (Awasthi and Sebastian, 1996).

One way of evaluating the ETPs is to assess their effectiveness in developing 'need for achievement' among the entrepreneurs. This is also called 'the qualitative evaluation' of ETPs. However, McClelland and Winter (1969) used the following criteria to assess the effectiveness of ETPs - (i) activity level of the respondents; (ii) new enterprise established; (iii) total investments made; (iv) investments in fixed assets made; (v) number of people employed; (vi) number of jobs created; (vii) increase in profit; (viii) increase in sales; (ix) quality of product/service improved; and (x) quicker repayment of loans.

An evaluation report carried out in Uganda (UIA, 2010) used key performance indicators focusing on the number of trainers, number of entrepreneurs trained, number of training workshops carried out and the impact the training had on the business performance of SMEs growth and business skills transfer such as Business Planning, Record keeping, access to finance just using interview and questionnaire tools for the 'before-after' comparison method whereas Glaub, Fischer, Klemm & Frese (2009) used randomized non-treatment group using interview and questionnaire tools.

The Empretec Ghana Foundation (2002) also used quantitative approach through questionnaire instrument for 'before-after' comparison for the impact assessment of economic performance like employment growth, sales turnover and profitability by taking 24 self selected sample entrepreneurs who provided enough data; only 50% received Empretec training, 50% received other services.

In South Africa also Pharoah & Burton (2001) used 45 participant samples (would-be entrepreneurs with business idea), randomly selected minimum two years after training using interviews tool. In Vietnam, Barwa (2003) used questionnaires for 258 participants (women entrepreneurs, would-be entrepreneurs), randomly selected 9 months after intervention whereas Pham (2002) used interviews, for two random samples of participants (poor women entrepreneurs) first N=784, selected directly after training and second N=336, selected 7 months after training. Abeysuriya (2005) in Sri Lank used interviews for two separate samples of participants (would-be entrepreneurs), randomly selected after training.

Table 1: Summary of the empirical reviews of some identified evaluation studies of ETP

Training/ study	Purpose of evaluation	Sample	Comparison group	Instruments and outcome measures/ results
EMPRETEC Ghana foundation (2002)	Assessing impact of different services (training, financial/ technical assistance, business plan)	24 entrepreneurs who provided enough data (self selected sample); only 50% received training, 50% received other services. Country: Ghana	None	Questionnaire. Success- Majority increased in success
Awasthi & Sebastian (1996) Survey, published	Impact assessment	1,295 participants of EDPs (entrepreneurs, would-be entrepreneurs), randomly selected 2-6 years a.i. 67 (operating for at least 3 yrs) were compared with matched control group (N=67); Country: India	Matched non-treatment;  1 <sup>st</sup> : 2-6 years a.i.	Interview. Success (obj./subj.), Reaction  TG was significantly higher than CG in financial performance
Barwa (2003) Survey, Unpublished	Impact assessment	258 participants (women entrepreneurs, would-be entrepreneurs), randomly selected 9 months a.i. Country: Vietnam	None	Questionnaire. Success (obj./subj.), behavior (subj.), psychological factors (subj.), reaction. Vast majority reported positive change of success, behavior & self confidence
Abeyasuriya (2005) Survey, Unpublished	Impact assessment	Two separate samples of participants (would-be entrepreneurs), randomly selected (first: N=97, %1-1% years a.i.; second: N=?, 2%-3% years a.i.; process unknown) Country: Sri Lanka	None	Interview. Success (obj./subj.), behavior (subj.), reaction 1 <sup>st</sup> sample: small positive effect on success 2 <sup>nd</sup> sample: higher positive effect on success
Glaub et al. (2009) Experiment, Unpublished	Impact assessment. Testing if increase of personal initiative causes increase of success	100 entrepreneurs; randomly assigned to TG (N=47) and waiting CG (N=53; trained after last measurement wave) Country: Uganda	Randomized non-treatment	Interview, questionnaire. Success, behavior (both obj./subj.), learning (obj.), reaction, TG increased significantly higher in success and PI than CG.
Botha et al. (2006) Experiment, published	Impact assessment	180 women entrepreneurs, would-be entrepreneurs); pre-selected (criteria: growth potential). 116 were assigned to TG, 64 formed partly matched CG. Country: South Africa	Partly-matched non-treatment	Questionnaire. Success (obj./subj.), behavior, learning (both subj.), reaction. TG reported higher increase in success than CG.
Pharoah & Burton (2001) Survey, unpublished	Impact assessment	45 participants (would-be entrepreneurs with business idea), randomly selected minimum two years a.i. Country: South Africa	None	Interview. Success (obj.), Reaction, Failure rate was 28%
Pham (2002) Survey, Unpublished	Impact assessment	Two random samples of participants (poor women entrepreneurs). 1 <sup>st</sup> : N=784, selected directly a.i.; 2 <sup>nd</sup> : N=336, selected 7 months a.i. Country: Vietnam	None	-Interview. Success, behavior, learning, reaction (all subj.) 2 <sup>nd</sup> sample: vast majority reported increase of income and use of acquired knowledge

N.B. CG-Control group, TG-treatment group, a.i- after intervention, obj-objective (quantitative), subj-subjective (qualitative)

## 2.8 Description of Research Variables

Especially in the case of private training centers it may be necessary to review the training programs characteristics at first. The training characteristics are the features of one training program that may include the training content, training design, training delivery methods, trainers' facilitation capability and target groups.

The training content is the program focus to guide the syllabi and curriculum development (Van Vuuren and Nieman, 1999) that can be theory-based or empirical studies based and may focus on psychological factors or/and business management skills. The first content model developed in South Africa by van Vuuren and Nieman (1999) was the entrepreneurial education model and suggests that entrepreneurial performance is a function of motivation, entrepreneurial skills and business skills. Accordingly the development of performance motivation of the entrepreneur is advised for incorporation in all programs. The associated skills include specifically the development of achievement imagery. Motivation as seen as the level of nAch (need for achievement) of the individual including: desire to be successful and to do well, urge to improve, motive to achieve excellence for its own sake. It is suggested by the authors, Van Vuuren and Nieman, which it contributes towards qualities like inner control, persistence, leadership, decisiveness, and determination and sheer guts. Entrepreneurial skills include various creativity and innovation, risk taking, opportunity identification and interpretation of role models. Business skills also covers skills such as financial, marketing, operational, human resource, legal, communication, management and business plan compiling skills. Moreover, the above three categories: motivation, entrepreneurial and business skills are merged in the Empretec model competency- based training as 10 PECs (Glaub, 2009).

The training design includes the length/duration of the training and pre-selection of trainees and the follow-up methods (*ibid*). The training programs vary considerably in terms of duration. The follow-up interventions may include personal counseling, mentoring and business health checks and business plan development guides.

Training delivery methods are the pedagogical matters that are used to conduct the training. As Matthias Glaub (2009) listed out, the frequently training methods used by CEFE, SIYB and EMPRETEC are as lectures, self-reflections and assessment, discussions, case studies, video tapes, action learning approach with behavioral exercises like role plays of business simulation, games, real life examples and personal counseling.

The target group is the main choice of the program's participants and may focus on the practicing entrepreneurs or/and would be entrepreneurs.

The facilitators' capability is the practical experience, entrepreneurial way of thinking and use of apprenticeships (Glaub, 2009) and being certified entrepreneurial trainer.

The business performances sometimes called entrepreneurial success/performances are the economic success measures of participants that they achieved after the training interventions. As of Matthias Glaub (2009), entrepreneurial success can be measured by start-up rate, rate of new job creation, failure rate, the general economic measures (sales volume growth, profit growth and asset increase) that are achieved after training. Business start-up rate is the amount of businesses that were started by the participating would-be entrepreneurs. Rate of Job Creation is the measure of the number of jobs that were created in average per training participant between training and point of post-training measurement. Failure rate is the rate of the participants closed their businesses between training and the post-training point of measurement. The most common stated objectives of ETP programs relate to the firm performance outcome domain include increases in profits, employees, and productivity; business expansion in markets, financing & investment; and the implementation of better business practices and innovations (Valerio et al., 2014).

Business skills transfer is the measure of the capabilities of the participants that they developed after the training interventions. These may include the ability to develop business plans, the ability to raise finance/credit using business plans and the improvement of the participants' business record keeping (UIA, 2010).

## **2.9 The Conceptual Framework: the Goal-Oriented Evaluation model**

Ezeryel (2002) defined that evaluation is traditionally represented as the final stage in a systematic approach with the purpose of improving interventions (formative evaluation) or make a judgment about worth and effectiveness (summative evaluation). The impact evaluation of entrepreneurial programs forms the basis of this study. Evaluating ETPs is different from evaluating other, general training programs, because such evaluation has several potential pitfalls, particularly ambiguity in the selection of the measurements criteria, (Fayolle, Gailly & Lassas-Clerc, 2006). Hence, it is important to discuss evaluation of entrepreneurial training separately from general training programs.

There is no agreement on the appropriate method for evaluating the impacts of ETPs (Wyckham, 1989; McMullan et al., 2001; Westhead et al., 2001).

McMullan et al, (2001) suggest that there are three standard measures used to evaluate the effects of entrepreneurship programs namely: *subjective* assessments of client satisfaction, clients' *attributions* of the impact of assistance on their subsequent performance and *objective* measures, such as the number of business and jobs created, as well as increased sales. Program evaluations which rely solely on participants' satisfaction or subjective judgments of program effectiveness, can lead to erroneous conclusions about a program's impact on performance (Hengry, Hill and Leitch, 2004). However, attribution measures, when used together with objective measures, may well have some value in supporting effectiveness claims (McMullan et al, 2001). Hengry et al (2004) suggest that subjective measures of satisfaction which are used some time after completion of a program (participants having had time in the interim to reflect upon its content and their own subsequent performance) can produce useful insights.

It is essential for any training program to assess and evaluate the extent to which the program is meeting its objectives. As recommended by Storey (2000) and McMullan et al., (2001) relating program outcomes directly to its objectives are key in assessing the success of ETPs. The general objectives of many ETPs are to: create entrepreneurial awareness and motivation among trainees; and equip trainees with the knowledge and skills for business opportunity identification and evaluation, resource gathering to take advantage of opportunities and running small businesses.

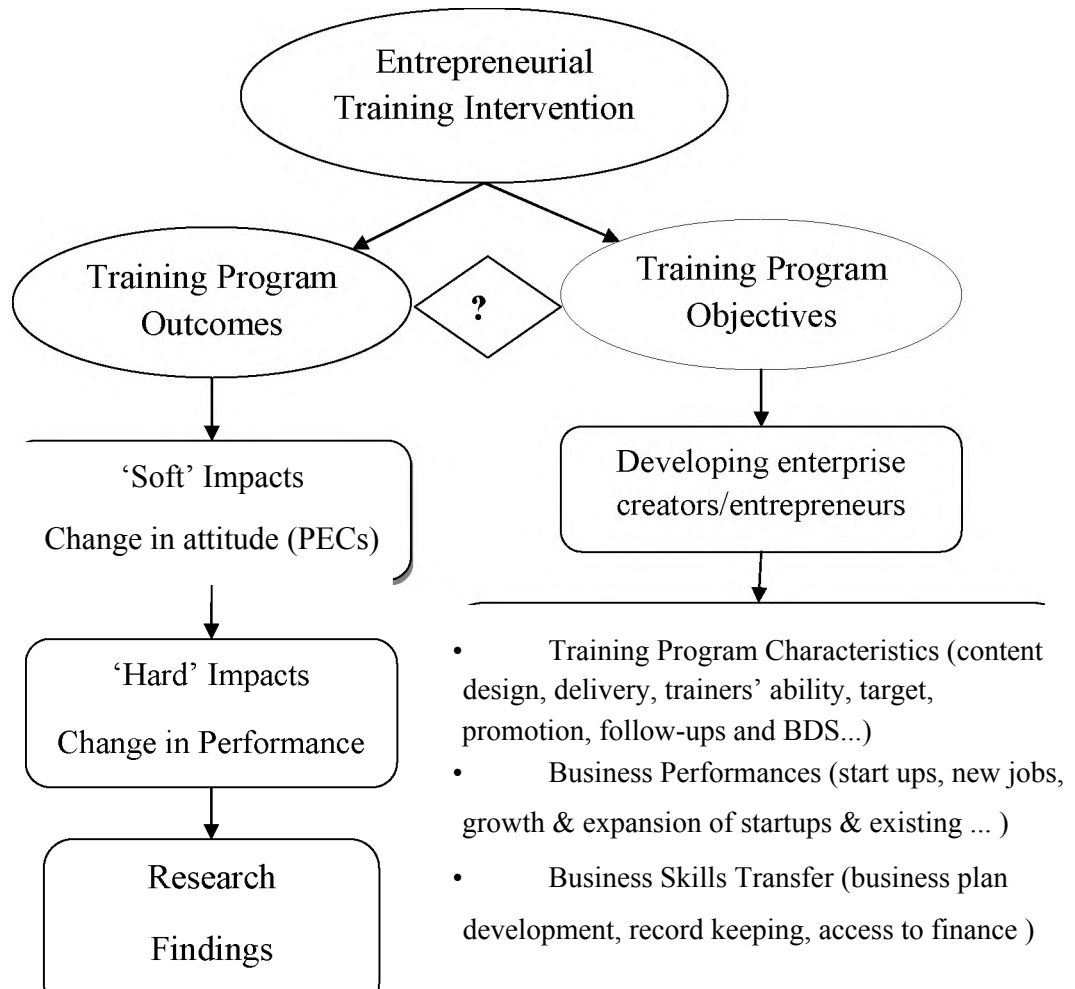
Given these training objectives, the researcher sets out to design a study that would efficiently as possible but also used to investigate the effectiveness of entrepreneurship trainings of Genius Center in stimulating entrepreneurial interests and competencies; and improving business performances of trained entrepreneurs with the study area. The outcomes are: one, business performances, measured quantitatively as the proportions that intend to set up a business just after the training program; two, changes in entrepreneurial competencies and performances measured after training.

Measures such as businesses newly started/ existing saved, sales and profit growth, new job creation and retention, business plan and record keeping improved, financing obtained and profitability of new businesses and participants' view have been suggested.

Therefore based on the Kirkpatrick's four levels model, which is purely outcome-oriented; and the Brinkerhoffs six stage model, which mainly focuses on the training development and learning process, this research has merged and developed the conceptual goal-oriented evaluation model. Thus, this new model traces back the training content, design and other

characteristics and then goes forward to training outcomes for the success of the goals which are the main focuses of the effective evaluations.

Figure 2: The Conceptual Goal-Oriented Evaluation Model



Source: Own Conceptual Model: 2015

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

*Introduction - this chapter talks about research design and methods then data collection method, and sampling procedure and technique and finally data analysis and presentation.*

#### **3.1 Research Design**

Kothari (2004) defined a research design as the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In addition, Zikmund, Babin, Carr and Griffin (2013) described descriptive research design tries to “paint a picture” of a given situation by addressing who, what, when, where, and how questions. In other words, it shows what is going on.

Therefore, this study used descriptive research survey to assess the training programs starting from the training design to the end impacts after conducting the training programs.

In addition, as case study methodology is recommended by Yin (2003) for the evaluation of economic and entrepreneurship development programs, this study also used case study to assess the program efficacy of Genius Center taking the Genius ETW entrepreneurship courses given for one month duration. Moreover, this study is inductive research type that tries to generalize on the basis of observation of particular facts from one case study.

#### **3.2 Research Approach/ Method**

Based on the general and specific objectives, this research study used both the qualitative and quantitative research methods. Quantitative method is applied here to evaluate the key performance indicators of the ETP ‘hard’ impacts by using empirical models using statistical analysis to draw some conclusions from the results. While in qualitative methods, statistical analysis is irrelevant rather they draw conclusion by deep understanding of the program characteristics such as training design and delivery methods and the respondents’ level of satisfactions. The use of both approaches in this research improves the quality of the results and provides additional advantages such as, to achieve cross validation, to obtain full

understanding of the evaluation research and to cover the weakness of one approach using the other approach (Zikmund et al, 2013).

### **3.3 Population and Sampling Techniques**

According to Kothari (2004), it is not necessary to collect data from everyone in a community in order to get valid findings; taking population representative sample is of more economical.

This study covered 1236 trained entrepreneurs from the Genius Center in the years from 2003 to 2005 E.C. period as the study population. During this three years period 72 training sessions having different numbers of trainees were conducted. All the training sessions were not conducted at the same time and that can bring difference in trained entrepreneurs' performance which leads to not homogenous groups. Therefore, stratified random sampling is used taking the training sessions (batches) as a stratum and proportional allocation methods used to determine the sample size of each stratum.

### **3.4 Sample Size Determination**

Even though the World Health Organization (WHO) recommended the average sample size of 10% for Rapid Assessments and Evaluations (TG-RAR, 2002), the researcher used 14% (N=174) sample size out of the 1236 trained entrepreneurs trained in three years from 72 strata/batches. Based on the size of each stratum, two or three respondents were randomly selected from each batch. The researcher took such sample size to cushion effect of the low response rate due to the expectations that some respondents' telephones may not working or replied or some may not give their consent to give the telephone interviews.

Finally, during the actual research survey, the samples of 12.3% (x=152) replied and conducted the telephone interviews with response rate of 87.4%, which is still more than the WHO's recommended average sample size.

### **3.5 Types, Method and Procedures of Data Collection**

This study applied both primary and secondary types of data that have qualitative and quantitative nature. Based on the nature, scope, objectives and required precision of the research time and resources available, the researcher used questionnaires, interviews, actual observations and documentary reviews to collect both primary and secondary data.

The researcher has begun his work developing research questions and concepts by reviewing previous literatures like books, journal articles, some policy documents, evaluation reports



and guidelines on the study area. This enabled to understand and visualize the research work in detail and to identify the impact evaluation metrics. Then the researcher mainly used close-ended questionnaire conducted through telephone interviews to collect quantitative data from the trained entrepreneurs.

The researcher also used face-to-face semi-structured interviews with the senior trainer of the Genius Center and current trainees. In addition, the researcher used three actual observations of the sessions (total four hours) to collect qualitative data about the training characteristics.

### **3.6 Research Instruments/Tools Design**

The literature in the study along with the research objectives was used as a guideline for the development of the questions in the questionnaire that can extract the change in performance of the respondents after training intervention. Besides, most questions in the questionnaire were adopted from UIA (2010) and Awasthi and Sebastian (1996) to fit for the private training programs. The length of the questionnaire was kept short to minimize the telephone interview time and encourage participation of the respondents. The questions were kept as concise as possible and close-ended multiple choice questions.

The interview questions are semi-structured and designed based on the objective and qualitative nature of data to be collected. The draft instruments were submitted to the advisor for comments and approval. Then the questionnaire was tested with pilot survey. Based on advisory comments and pilot survey test, the questionnaire was amended.

### **3.7 Method of Data Analysis and Presentation**

The raw data by itself is not relevant unless it is analyzed to give meanings. Once the data was collected, it was coded, filtered, categorized and proceeded using descriptive statistics tools. Quantitative data from the field survey was entered, cleaned and analyzed using the Statistical Package for Social Sciences (SPSS) Version 20.0. Qualitative data of the actual observations and semi-structured interviews (with open-ended questions) were analyzed manually. The results of the descriptive analysis were presented in terms of frequencies, proportions and cross tabulation forms.

### **3.8 Quality of the Research Design**

Adams, Hafiz, Raeside and White (2007) states there are three criteria generally used for testing and evaluating measurements of variables and ensuring the quality of data, research design methods and the overall accuracy of study results. These criteria are known as reliability, validity and generalizability.

### **Instrument validity**

Validity is an important term in research that refers to the conceptual and scientific soundness of a research study (Kothari, 2004). Validity is defined as the degree to which results obtained from the analysis of the data actually represents the phenomena under study.

Hence a pilot study was conducted to refine the methodology and test the questionnaire before administering the final phase. Questionnaire was tested on potential respondents to make the data collecting instruments objective, relevant, suitable to the problem and reliable as recommended by John Adams et al. (2007). Issues raised by respondents were corrected and questionnaires were refined. Besides, proper detection by an advisor was also taken to ensure validity of the instruments. Finally, the amended version of the questionnaire was used for data collection. Moreover, the questionnaire was adopted from the other standardized questionnaires.

### **Instrument reliability**

According to Kothari (2004) instrument reliability shows the degree of consistency that the instrument or procedure demonstrates. The test of reliability is another important test of sound measurement and reliable measuring instrument does contribute for the validity. Hence, to prove the reliability of the instrument, the researcher has used some pilot test and make some adjustments if there any inconsistency. In addition, the instruments were developed based on the research objectives and standardized questionnaires were adopted and used, therefore the investigator believed the instrument fulfilled internal consistency criteria.

### **3.9 Ethical Consideration**

Before conducting any data collection activity, the provision of ethical consideration was taken into account to obtain efficient and reliable data from the respondent. The researcher first tried to obtain the permission from the Genius Center by using formal cooperation letter from St. Mary's University, School of Graduate Studies, Graduate Program Office. And the draft paper was given to Genius Center for comment and approval of some basic information.

Besides this, all the participant of this research were informed about the purpose of the study, that leads all participants to give their factual responses to the telephone interviews as well as face-to-face interviews freely and they were also told that their identify will be kept confidential. Finally for the privacy and identity of the respondent the study kept secret.

## CHAPTER FOUR

### RESULTS AND DISCUSSION

*Introduction - this chapter presents data processing, analysis of data and lastly the interpretation of the analysis is included.*

#### 4.1 Data Presentation and Results

This section first gives the social-demographic and the program characteristics in detail.

##### 4.1.1 Demographic Characteristics of Respondents

Descriptive statistics were applied to summarize percentages of respondents' profile related to gender, age, and education level.

Table 2: Summary of demographics of respondents and training characteristics

N=174, x=152		Frequency	Percentage (%)
<b>Gender</b>	Male	84	55.3
	Female	68	44.7
<b>Age</b>	24-29 yrs	26	17.1
	30-40 yrs	87	57.2
	41-63 yrs	39	25.7
<b>Educational Level</b>	Primary school	1	.7
	High School	13	8.6
	College Level	90	59.2
	University Level	48	31.6
<b>How respondents knew about Genius ETP</b>	Book	22	14.5
	Mass media (TV, radio, newspapers...)	21	13.8
	Families, friends, relatives	96	63.2
	Billboard/poster	13	8.6
<b>Post-training follow up</b>	Got services	17	11.2
	Did not get	135	88.8

Source: Own Field Survey: 2015

## I. Gender of Respondents

As indicated in the above table 2, out of the total respondents 55.3% (84) were males and 44.7% (68) were females. Therefore, the Genius Training Center has fair gender composition.

## II. Age of Respondents

Table 2 shows that out of the total respondents 17.1% were youth having ages between 24-29 years old, 57.2% were adults between 30-40 years old and the rest 25.7% were older than 41 up to 63 years old.

## III. Educational Level of Respondents

Regarding the educational level of respondents shown in the above table 2, the largest proportion of respondents 59.2% have college level diploma, 31.6% have university level first or second level degree, 8.6% have high school level and 0.7% has primary school level of education.

As a whole, around 99.7% of those trained had education above Primary Level, which implies that the trainees could understand the major tenets of the training that was delivered and also had an implied capacity to put in use what they had learnt.

### **4.1.2. Analysis of the Training Program Characteristics**

In this part the researcher tried to analyze the target group and publicity of the training, the facilitation capability of trainers, the development of training materials and the delivery methods of training process and post-training follow-up services.

#### **i. Genius ETP Target group and Publicity Activities**

Target group: Inspired entrepreneurs, business community and their families that can afford the payment which in turn includes both practicing and aspiring entrepreneurs.

The Genius ETP has used different promotional outreach campaign for the dissemination of information to different segments of the target groups. This evaluation study found that the promotional activities had an effect in attracting entrepreneurs to participate in the training. It was found that the majority 63.2% of the entrepreneurs knew about the training from their friends, families and relatives, which shows that Genius Center is using 'words of mouth' as a major promotional channel. In addition, 14.5% found out about the training from the books, 13.8% knew about the training from the mass media (television and radio, newspapers)

advertisements, while the rest 8.6% found out about ETP from a billboards or posters found around Hilton hotel and Arat kilo areas.

## **ii. Analysis of the Trainers' Capacity**

The researcher has evaluated the trainers' facilitation capacity and level of training skills from the trainer's and the trainees' interviews. The regular senior trainer has participated in four Training of Trainers (ToTs) programs and certified as Entrepreneurship trainer, participated in four main international entrepreneurship conferences and forums. The regular trainer has long time teaching experience in Ethiopian society and has taken different countries' business experiences of entrepreneurship practices and training models. The part-time trainers are also certified as Empretec Trainers. All of the trained entrepreneurs were also satisfied (Mean= 4.47) by the trainers and trainings (see Table 9 below).

## **iii. Analysis of Training Materials Design**

The evaluation analysis from the interviews, actual observations and content model analysis of training materials showed that the training materials were developed to have both the psychological factors and basic business skills in the curriculum syllabi. The training material content included both the competency-based, the Empretec model 10 competencies, and basic business skills by highly localizing and customizing the best practices translated in Amharic language and supported by memorable proverbs. Therefore, the analysis show that the materials developed to be of good quality. Most respondents were also satisfied with the training content and design.

## **iv. Analysis of Training Delivery Methods**

The training delivery methods are the means, which enable to change the designed program into practice. From the interviews of trainees and actual observation of the researcher<sup>1</sup>, the delivery of the training follows the adult action learning approach such as lectures, self-reflections, audio-visual real life examples & experience sharing of Ethiopian entrepreneurs, group discussions and case study analysis, behavioral exercises like role plays of business simulation, games, assignments and project works, and personal counseling.

## **v. Follow-up and Post-Training BDS Services**

The study found that only 11.2% got post-training advice through phone calls or personal invitations and contacts. This shows that majority of the trained did not get any business

<sup>1</sup> The researcher is a practicing entrepreneur and he had taken the 6-days Empretec ETW training in May, 2013.

development advisory services from the Genius Center which may contribute to the relatively low business performance of trained entrepreneurs especially for aspiring entrepreneurs.

Table 3: Summary of prior business experience and existing businesses status

N=174, x=152		Frequency	Percentages (%)
<b>Prior business experience</b>	Yes (practicing entrepreneurs )	69	45.4
	No (potential entrepreneurs)	83	54.6
<b>Training impact on existing businesses</b>	Declined	2	2.9
	Stagnated	3	4.3
	Just expanded	40	58.0
	Expanded more than double	24	34.8

Source: Own Field Survey: 2015

#### 4.1.3 Analysis of Business Performance Factors

Matthias E. Glaub (2009) used the following measures to describe the training effects on business performance success: rate of job creation, failure rate, rate of business start-up, and general economic measures.

##### i. Trained Entrepreneurs Business Experience

The study (in table 3) found that the Center has trained both potential entrepreneurs and practicing entrepreneurs and 45.4% already had businesses at the time of the training while 54.6% were potential entrepreneurs yet to identify, select and start a business. This shows that the trained entrepreneurs were more of aspiring entrepreneurs than the business owners.

##### ii. Training Impact on the Existing businesses

The study results (in table 3) indicated that of the entrepreneurs who already had a business and were trained, even if 2.9% were declined and 4.3% were stagnated, the majority, 58.0% of the businesses are just improved, and 34.8% of the business had performed more than double. This means that 92.8% of the existing businesses were subsequently improved performance and growth, reflecting a good achievement of the ETPs goal.

##### iii. New Business Start-ups

The study found that the Genius trainings also led to an increase in the level of new business start-ups. As of table 4, after the trainings 41 (27.0%) of the trained have started new businesses. Then of the new 41 businesses, 29 (70.7%) said the businesses expanded while 4

(9.8%) said the businesses more than doubled performance. However, 1(2.4%) of them was declined and 3 (7.3%) were stagnated after start-up and 4 (9.8%) were closed within a year. Failure rate is the rate of the participants closed their businesses between training and the post-training point of measurement (Glaub, 2009). Therefore, the *failure rate* of study sample is 2.6%. Hence deducting those closed businesses, only the 37 (24.3%) of the total samples are now running start-up businesses and considered as Actual Start-up rate.

Table 4: Summary of new business start-up activities

N=174, x=152		Frequency Percentages (%)	
<b>New startups</b>	Yes	41	27.0
	No	111	73.0
<b>New startups current status</b>	Closed	4	2.6
	Declined	1	.7
	Stagnated	3	2.0
	Just expanded	29	19.1
	Expanded more than double	4	2.6
<b>Under process</b>	Yes	20	13.2
	No	132	86.8
<b>Startups by Sectors</b>	Commerce/trade	17	41.5
	Agribusiness	2	4.9
	Manufacturing	9	21.9
	Services	8	19.5
	Construction	5	12.2
<b>Startups by locations</b>	Addis Ababa	39	95.1
	Holeta	1	2.45
	Weliso	1	2.45

Source: Own Field Survey: 2015

The business starting process takes more time to research the market, identify the business opportunities and starting activities especially in developing countries like Ethiopia. And as Awasthi and Sebastian (1996) recommended the trained entrepreneurs that have identified their business idea and actively under process for starting business should be included to forecast the expected startups after training intervention. From table 4, of the total samples, 20 (13.2%) have identified the business idea and are under process for start up.

Therefore, the expected start-up rate after training will be as follow;

$$\begin{aligned}\text{Expected startup} &= \text{Actual Start-up} + \text{Under start-up process} \\ 24.3\% + 13.2\% &= 37.5\%\end{aligned}$$

Table 4 also shows that location of the newly started businesses were almost all 39 (95.1%) were started in Addis Ababa and others 1(2.45%) at Holeta and 1(2.45%) at Weliso.

#### iv. Start-ups by sectors

Further, the table 4 shows that the majority, 41.5% started trade businesses, 4.9% agri-businesses, 21.9% manufacturing and 19.5% services while 12.2% construction businesses.

In descending order, trade business comes first, next manufacturing and then services & construction and finally agri-businesses.

Table 5: Summary of new startups formal registration and types

N=174, x=152		Frequency	Percentages (%)
<b>Formal registration</b>	Yes	40	97.6
	No	1	2.4
<b>Registration types</b>	Sole proprietor	29	70.7
	Private Ltd comp.	11	26.8
	Partnership	0	0.0
	Cooperative/MSE	1	2.4

Source: Own Field Survey: 2015

Moreover, the study also found (in table 5) that there was a high level of formal business registration. Of the new businesses started, 97.6% of them were formally registered. Among those businesses formally registered, 70.7% were sole proprietors, 26.8% were private limited companies, and 2.4% were cooperatives but there were no partnerships.

#### v. New Job Creation & Capital Invested

The study found that the trained entrepreneurs have also contributed in the creation of new jobs by both the existing and the new businesses.

The new startups has created 243 (42.5%) new jobs and the existing business created additional new jobs of 332 (57.5%) giving a total of 577 new jobs created by the entrepreneurs after training. The startup businesses have an employment rate of 6.0 new jobs per business and the existing businesses have a rate 4.8 new jobs per business and an



aggregate rate of 5.2 new jobs per business. In addition, an estimated total capital of Birr 18,914,000.00 was invested by the new start-ups.

#### vi. Training Impact on Growth of New Businesses

The research found that of the 41 new businesses 95.1% have growth in sales volume of which 29.3% by one-fourth, 29.3% by half, 26.8% by double and 9.8% by more than double sales growth rate relative to the startup time sales but 4.9% did not have sales growth. Even if there were sales growth, 58.6% of it was low rate less than or by half.

Table 6: Summary of new business startups economic growth

N=174, x=152			Frequency	Percentage (%)
<b>Sales Volume</b> (n=41)	Growth	Yes	39	95.1
		No	2	4.9
	Growth rate	One-fourth	12	29.3
		Half	12	29.3
		Double	11	26.8
		More than double	4	9.8
<b>Profit</b>	Growth	Yes	38	92.7
		No	3	7.3
	Growth rate	One-fourth	12	29.3
		Half	11	26.8
		Double	8	19.5
		More than double	7	17.1
<b>Asset Increase rate</b>	One-fourth		9	21.9
	Half		12	29.3
	Double		10	24.4
	More than double		7	17.1

Source: Own Field Survey: 2015

In addition, of the new businesses 38 (92.7%) generate profit and 29.3% at a rate of one-fourth, and 26.8% at a rate of half, the rest 19.5% by double and 17.1% more than double rate.

The startup businesses have also increase in their asset as compared to their start-up capital invested. The 21.9% asset increased by one-fourth and 29.3% by half, while 24.4% increased by double and 17.1% increased their assets more than double.

#### 4.1.4 Training Impact on Business Skills Transfer

##### i. Access to Finance

One of the reasons entrepreneurs were trained was to improve their chances of accessing various lines of credit. However, the study found (in table 7) that respondents had access to finance, 11.3% got the money from informal Money lenders, and 14.4% got the money from

a commercial bank. The majority was from family or relatives (43.3%) and from personal savings (30.9%).

Table 7: Summary of business skills transfer due to training

N=174, x=152		Frequency	Percentage (%)
<b>Access to finance sources</b>	Personal saving	30	30.9
	Family or relatives	42	43.3
	Money lenders	11	11.3
	Commercial banks	14	14.4
<b>Business planning ability</b>	Can develop	58	38.2
	Cannot develop	94	61.8
<b>Used business plan to raise finance</b>	Used	36	23.7
	Not used	116	76.3
<b>Record keeping</b>	Had prior experience	68	44.7
	Did not have	84	55.3
	Improved now	133	87.5
	Not improved	19	12.5
	Recording now	131	86.2
	Not recording	21	13.8

Source: Own Field Survey: 2015

## ii. Impact on Business Plan Development

The training of entrepreneurs tackled Business Plan as a specific action point. The key output under this was increased capacity by entrepreneurs to develop comprehensive and bankable business plans for better internal management and access to finance or credit.

Even though, all respondents believe in the necessity of preparing business plan for the success of their business activities, the study found (in table 7) that only 38.2% of the respondents can prepare business plan personally. This implies that only about two-fifth of the respondents got enough skills to develop a bankable business plan.

## iii. Training impact on Record keeping skill transfer

The capacity of entrepreneurs to successfully manage their businesses in a competitive manner is largely dependent on good and regular record keeping. The Genius ETP also

focused on training in Record Keeping so that the internal systems and structures of businesses can be improved on.

Table 7 shows that before the training, only 44.7% of the entrepreneurs were keeping records while 55.3% were not! Of those who keep records, the study results showed that 87.5% of them say that their record keeping had improved after the training, 86.2% of entrepreneurs said that they are now start keeping business records.

This shows that a tremendous improvement in business record keeping skills transfer actually has taken root in the form of Better Business Management. Key record keeping tools used are receipts, cash books, sales book; purchases books, debtors' books and creditors' books.

#### 4.1. 5 Challenges of the Entrepreneurs and the Genius Center

Trained entrepreneurs were asked by open -ended question to forward the pressing challenges they faced during their business activities and also their barriers that hinder them not start new businesses. They listed out many and summarized (in table 8) as follows: the lack of finance as a major challenge, next lack of market and customer handling, then lack of working premises, lack of supply and stiff competition, lack of skilled and ethical workforce, bureaucracy, labor workloads and criticize their own personal attitude and laziness that blocked them not to start new business.

Table 8: Summary of trained entrepreneurs pressing challenges and comments

N=174, x=152		Frequency	Percentage (%)
<b>Pressing challenges</b>	lack of finance	49	32.2
	lack of working premise	19	12.5
	lack of supply & stiff competition	10	6.6
	lack of skilled & ethical workforce	5	3.3
	Lack of market & customer handling	23	15.1
	Bureaucracy	7	4.6
	Personal attitude & laziness	37	24.3
	Workloads	2	1.3
<b>General comments</b>	Keep as it is.	66	43.4
	Add more course and time	41	27.0
	Advisory & follow-up services	32	21.1
	Invite more guest & staff	13	8.6

Source: Own Field Survey: 2015

The respondents were also asked by open- ended questions to comment and give their feedback on the services of the training center. Their comments were summarized (in table 8)

and can be listed out as; to keep it up as it is (43.4%), to add more business courses and more time (27.0%), start post-training follow-up and BDS advisory services with affordable price (21.1%) and commented to invite more guest speakers and more certified trainers (8.6%).

In addition, the manager of the Genius Center were also asked to forward the Center's pressing challenges, and he expressed two major challenges: the lack of certified regular trainer and the attitude of the public have to pay for the entrepreneurship trainings. The latter problem has greatly improved but the former one still persists.

#### **4.1.6 Analysis of International Best ETP Evaluation Practices**

An analysis of international best practices such as Kirkpatrick (1999), Brinkerhoff (1988) and Ezeryel (2002) in entrepreneurship training programs shows different levels of analysis. But this evaluation research has merged and developed a new five-level model of analysis starting from program design to the program outcomes, viz:

- i) Training program characteristics
- ii) The trainee's perception of training;
- iii) Evaluating the learning;
- iv) Evaluating the change in behavior; and
- v) Evaluating the impact and results/successes.

These five levels were tested under the Genius ETP evaluation as explained in the next sections.

##### **i. Training Program Characteristics**

The evaluation has analyzed the design of the training programs with the needs of the beneficiaries, the design of training materials and the delivery methods adopted for the training and the capability and experience of the trainers and post-training services. The research found good program design, training material and delivery methods and trainers' capability with understanding of the Ethiopian society and good teaching experience but the training has low post-training follow-up services.

##### **ii. The Trainees' Perception of Training**

The trainees' perception is their understanding about the goal of the training and their satisfaction just after the end of training. The evaluation has already determined that the trained entrepreneurs have understood the goals of the training and paid for that goal and trainees were satisfied with the mean value of 4.47 for the five-level Likert scale of

satisfaction levels (Low, Somewhat good, Good, Very good and Excellent) and there was increased motivation for the trainees after the trainings.

Table 9: Summary of respondents' satisfaction level & Descriptive Statistics

N=174, x=152		Frequency	Percentage (%)		
Low		0	0.0		
Somewhat good		0	0.0		
Satisfaction G <sub>ood</sub>		3	2.0		
level Very good		75	49.3		
Excellent		74	48.7		
Total		152	100.0		
	N	Minimum	Maximum	Mean	Std. Deviation
Satisfaction level	152	3	5	4.47	.539
Valid N(listwise)	152				

Source: Own Field Survey: 2015

### iii. Evaluating Learning

The evaluation of learning (training) is the evaluation of the trainees to determine what new skills and new and relevant knowledge they acquired (Kirkpatrick, 1999). The evaluation of the training sessions and the respondents' free comments show ( in table 8 ) that 91.5% of the trainees all agreed that the content was suitable and relevant but commented to add some more courses & time and the facilitators' skills were also very good and commented to invite more Ethiopian entrepreneurs guests too.

### iv. Evaluating Changes in Behavior

International best practices (Kirkpatrick, 1999) show that behavior changes must be evaluated to determine if actual job/business behavior has changes as a result of the training. This study has also determined that the trained entrepreneurs had made many changes in their business practices after the training with regard to business plan development, record keeping and better employee management.

### v. Evaluating Impact and Results

The best practice here is to collect data on the training program and determine whether there has been an improvement in the performance of the beneficiary. This study has exercised to determine the rate of the training impact, by designing the questionnaires and interviews to give change in performance values. Therefore, the business and entrepreneurial performances (table 3 and 4) of the trained entrepreneurs were evaluated and 63.8% were performed better.

## 4.2 Discussion of the Key Findings

This section gives a detailed discussion of the key findings from this study in light of the Genius Center's objectives and other research findings. Hence this paper is hinged on the objective or goal-oriented evaluation model.

The outcome success of ETPs is measured by the objectives they set as developing enterprise creators/ entrepreneurs (Storey, 2000 and McMullan et al., 2001), so does the Genius programs. In terms of impact on business start-up and job generation, the study makes a distinction between people who were not yet in business at the time of the training, and those already in business.

**Business start-up-** This study found that 24.3% of trained potential entrepreneurs actually started new business which is nearly *one out of four* training participants. A report by van Lieshout, Sievers and Aliyev (2012) on ILO's SIYB trainings asserted that depending on the country and the time of the survey, on average *one out of three* people who were not yet in business actually started a business after training and listed out some selected countries business start-up rate figures as: Indonesia EAST project, 30%; Indonesia Migrant Workers project, 56%; China E-SIYB, 85%; Papua New Guinea, 25%; Vietnam, 14%; Sri Lanka, 39%; and Zimbabwe/Zambia/Uganda, 20%.

In addition, according to Awasthi and Sebastian (1996), in India the impact of ETPs has not been uniform and the actual startup rates are observed to be oscillating between 9% and 56%, bringing down the overall national start-up rate to about 26%. Whereas in Uganda (UIA, 2010) 45% trained entrepreneurs started new businesses. And also, 67% of the South African SIYB participants (ILO- SIYB Bulletin 2004) were reported to have started their new businesses after the training.

Therefore, the Genius training impact on the actual startup rate is fairly good but less than the SIYB's average value (one out of three).

**New jobs by startups-** This study also found that the new startup businesses created at average rate of 6.0 new jobs per business including the owners. According to van Lieshout et al (2012) in new businesses that were started after the SIYB training, on average, three jobs were generated including the owners and listed out some selected available figures from the countries include: China E-SIYB, 5.3 jobs on average; Zimbabwe/Zambia/Uganda, 2.0 jobs; Papua New Guinea, 2.4 jobs; and, Vietnam 3.4 new jobs, but also in Vietnam, Barwa (2003) found 4.04 new jobs per business. Therefore, this study's rate is greater than the SIYB's

average value and in terms of new job creation the Genius ETPs are good and fairly effective. This may lead to guess that the start-up businesses are more of labor-intensive.

**Existing business growth-** The most common stated objectives of ETP programs relate to the firm performance outcome domain include increases in profits, employees, and productivity; business expansion in markets, financing & investment; and the implementation of better business practices and innovations (Valerio et al, 2014). Among program evaluations indicating improvement in sales, enterprise growth shows mixed results (*ibid*).

This study found that most of the practicing entrepreneurs (92.8%) show improvement after training intervention. In Valerio et al (2014), the SIYB-SL (Sri Lanka) program evaluation indicated that trainees' enterprises were more profitable. In Vietnam, Barwa (2003) found that nearly 97% of the entrepreneurs confirmed that their business performance had improved considerably after SYB training. And most of them indicated increases in profit, customers and sales.

Hence, this study found that existing businesses grow considerably in sales, profit and employment even more than the new startup business after training intervention.

**New jobs by existing businesses-** This research study revealed that the existing businesses have created 4.8 new jobs per business. Even globally, existing business owners participating in ETPs also indicate job effects, for the SIYB program van Lieshout et al (2012) hinted that on average 0.6 jobs were generated in existing businesses after training. Therefore, this study's value is far greater than the SIYB average rate and showed that the Genius training programs contributed more in the job creation through their trained entrepreneurs.

**Business Skills Transfer-** Regarding to access to finance, this study also found that 14.4% (of which 35.7% are new startups) raised money from bank and majority raised from personal savings and families or relatives. Barwa (2003) in Vietnam found that none of the startups were applied to a bank or a credit institution and raised capital from their personal savings and other informal sources and couldn't develop bankable business plan. In this study, even though they believe that it is necessary to have business plan, only nearly two-fifth got skill to develop bankable business plan. More importantly, majority of the trained improved and started the record keeping skills.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

*Introduction- relying on the responses given by the respondents, this section comes up with summary of findings which were used to make conclusions and give recommendations.*

#### 5.1 Summary of the Findings

In light of the study findings against the goals of Genius training programs, it can be seen that the Center fairly achieved its objective.

The summary below highlights the major findings of the evaluation:

i) The study found that training design and delivery is of good quality, experienced trainers but relatively low post-training services. The study also found that 55.3% of the entrepreneurs trained were male while 44.7% were female showing fair gender balance and age group of more of adult and mostly educated.

ii) The Center targeted the business community and aspiring entrepreneurs and this study also found 45.4% were practicing entrepreneurs and 54.6% were aspiring entrepreneurs. Of the entrepreneurs who already had a business and were trained, 58.0% businesses improved and 34.8% of the business had their performance more than double while 18.3% of the trained entrepreneurs actually started new businesses with an estimated capital of Birr 18,914,000. And the study also found that the failure rate is 2.6% and it's relatively low.

The new startups have created 243 new jobs while the existing businesses created 332 new jobs giving a total of 577 new jobs created the entrepreneurs after training. The startup businesses have an employment rate of 6.0 new jobs per business unit and the existing businesses have a rate 4.8 new jobs per units and an aggregate rate of 5.2 new jobs per business.

iii) The research found that of the new businesses, 95.1% have sales volume growth of which 58.6% by less than half growth rate and 92.7% generate profit but 56.1% of them at low rate



of less than by half. The actual startup businesses have also increased in asset from the startup capital invested but about half of them (51.2%) increased in asset less than by half.

The study also found that had access to a line of credit, 11.3% got the money from Money lenders, and 14.4% got the money from a commercial bank. The majority was from family or relatives (43.3%) and from own savings (30.9%).

iv) Almost all entrepreneurs found that it is necessary to develop business plan, but the study found that only 38.2% of the trained entrepreneurs can prepare business plan personally. This implies that less than two-fifth of the trained entrepreneurs got enough skills to develop a bankable business plan.

v) The study found that before the training, only 44.7% of the entrepreneurs were keeping records while 55.3% were not. Of those keeping records, the study results showed that 87.5% of them say that their record keeping had improved after the training and 86.2% of entrepreneurs said that they are keeping records now.

vi) The study found that out of the 152 surveyed entrepreneurs only 11.2% got post-training advice through phone calls or personal invitations and contacts. This shows that majority of the trained did not get any business development advisory service from the Genius Center which may contribute to the low entrepreneurial performance of trained entrepreneurs.

vii) The research found that majority of surveyed 63.2% knew about the training through 'words of mouth' as a promotion method, whereas the rest, mass media (TV, radio) adverts, books and billboard posters covered 13.8%, 14.5% and 8.6% respectively.

viii) The research also found that most entrepreneurs faced financial problems and the Genius Center also faced lack of regular certified trainer and low public attitude to pay for such trainings.

## **5.2 Conclusions**

The main aim of this paper is to assess the impacts of the entrepreneurship training programs carried out at Genius Training Center in three years from 2003-2005 E.C. ETPs are devised for grooming entrepreneurs through entrepreneurial training to develop and strengthen the entrepreneurial quality and competencies of the potential and practicing entrepreneurs willing and ready to build and grow their own businesses. With this aim the study examined many evaluation factors such as: the *training-program characteristics* such as training content design, facilitation capacity of trainers, training delivery methods, outreach and promotion

schemes, participants' satisfaction, post-training follow-up and business development advisory services; the *business/entrepreneurial performance factors* including: new business start-ups and rate of startup, capital invested, failure rate and growth in sales, profit and asset, new jobs created, rate of new job creation, growth of existing businesses; and the *business skills transfer* such as access to finance, business plan development and business record keeping.

Even though, there was no evaluation research found that was carried out on ETPs in Ethiopia, with critical review of other countries' evaluation studies and linking the objective and the outcomes of the training programs, a goal-oriented model is designed and tested in this study. Hence, this paper is hinged on the objective or goal-oriented evaluation model.

This study used both primary and secondary data having both qualitative and quantitative nature with different research instruments such as questionnaire, personal interviews and actual observations to overcome the drawback of one tool by other.

The Genius Center has attracted more of aspiring entrepreneurs than the practicing entrepreneurs and they are more of adults and educated ones. The programs are designed and delivered in good quality but still needs some detail in business planning and marketing courses.

This study found that the Genius trainings have positive economic and social impact on the trained entrepreneurs in enhancing the business/entrepreneurial performance of both practicing and aspiring entrepreneurs. However, existing businesses have shown more improvement and new job creation than the start-ups.

Moreover, the trainings have brought fairly good impacts in existing business growth, new job creation, business formalizing and expanding national tax-base, and business record keeping but with fair start-up rate and relatively low business plan skills transfer.

The post-training follow-up and BDS services also found relatively low to support the entrepreneurs through technical advices and they should be supported for better performance and to enhance some skills like business plan development.

Therefore, the findings highlighted that the trained entrepreneurs gained new skills and knowledge relevant to running and creating a business; increased their confidence in their entrepreneurial abilities, and improved their number of employees, turnover, profit and asset.

The programs may achieve even more success than this if the public-private partnerships have been strengthened enough, as the impacts have dual effect for the public and the private sectors. Training alone may not guarantee for the achievement of the goals of the programs, if other entrepreneurial infrastructures such as post-training follow-up and advisory services, access to credit, working premises etc were incorporated, more success will be achieved.

### **5.3 Recommendation**

Suggestions for corrective and complementary measures to enhance the potential impacts of the Genius programs in particular and the Ethiopian entrepreneurship culture in general are essential. Such recommendations demand an in-depth analysis of different factors regarding the programs. Based on the findings and conclusions of the study, the following recommendations are forwarded.

The Genius Center should attract more of the youth population through developing different marketing and promotional methods as many experts propose entrepreneurship at early ages.

It should promote its post-training follow-ups and BDS services with affordable price through different mechanisms and should also scale-up the services either by hiring more business advisors or in cooperation with state-sponsored training centers. It is recommended that Trainers be advised to offer coaching and advisory services to entrepreneurs in the field of business plan development, record keeping, marketing, etc., on a need-basis.

In the training delivery, the Genius Center better to invite more entrepreneur guests and also use more training games to evaluate the strengths and weakness of trainees. In addition the Center should stress on business planning course and deliver more exercises and mini-competitions to encourage trainees.

It has also been noted that entrepreneurs who have been trained need continuous guidance and handholding on how to manage their businesses. This would help them internalize the latest business management skills while boosting their confidence as business owners and as entrepreneurs. The networking and mentoring groups among trained entrepreneurs to share experience and to know each other, based on their business interests and backgrounds, for purposes of improving their businesses should be given more stress by the Center.

The public-private partnerships (PPP) in Ethiopia should be strengthened in support of promoting entrepreneurship programs through enhancing entrepreneurial infrastructures such as facilitating the entrepreneurial training and post-training services such as mentoring, business advisory and access to financial credit and grants, developing Business Idea

Competitions for the beneficiary entrepreneurs so that outputs can be transformed into real impact on the businesses over time.

Moreover, the government has to work with and support the private entrepreneurship training centers to promote the fostering of entrepreneurial culture as they are contributing in economy of the country.

With regard to trained entrepreneurs, there has been an identified need of linking trainees to financial institutions for access to lines of credit and other grants and/or subsidies that entrepreneurs can tap into. The government has also work in enhancing the entrepreneurial infrastructure along with the cooperation of private training centers, banks and microfinance institutions and private sector associations.

In additional to investing in ETPs, the effectiveness (impact) evaluation of those programs should be conducted, supported and necessary data and cooperation should be delivered.

In general, the entrepreneurship training programs should be scaled-up in Ethiopia, with the interlinked engagement and responsibilities of multiple stakeholders.

### **Suggestions for Further Research**

This study proposes the following areas for further study;

1. The impact assessment of Genius Training and Consultancy Center using non-trained control groups with repetitive longitudinal study and more sample size.
2. An assessment of the effectiveness of state-sponsored entrepreneurship development programs in Ethiopia, including soft impacts.
3. A comparison of the impacts of the major private and state-sponsored entrepreneurship training programs in Ethiopia: a case-study.

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## APPENDICES

### Appendix A: Questionnaire for Telephone Interviews for Trained Entrepreneurs

#### Instruction

Put a tick mark (V) under the choices below in the appropriate place.

A - Profile of respondent (Batch :..... )

Q1. Sex of respondent:                      1. Male    2. Female

Q2. Age of respondent:                      \_    \_years old.

Q3. Level of Education:

- |                   |                     |
|-------------------|---------------------|
| 1. Primary school |                     |
| 2. High school    | 4. University level |
| 3. College level  | 5. illiterate       |

Q4: How did you know about the Genius training?

1. Book 2. Media (TV, Radio) 3. Family/ friend/ relatives 4. Billboard

#### B- Business Particulars

Q5: Were you undertaking any business activity before the Genius ETW training?

- 1: Yes 2: No

Q6: If Yes to Q5, what was the impact of the Genius ETW training on your business?

1. It declined 2. It stagnated
3. It just expanded 4. It more than double-expanded

Q7: If No to Q5, have you started a business since the Genius ETW training?

1. Yes 2. No

Q8. If No to Q7, do you have identified a business idea & on-process to start?

1. Yes 2. No

Q9: If Yes to Q7, what kind of business have you started?

1. Commerce/ trade 2. Agribusiness 3. Manufacturing
4. Services    5. Construction

Q10: How has the new business that you started after the Genius training performed?

- 1. Closed                      2. Declined                      3. Stagnated
- 4. Just expanded            5. had more than double expansion

Q11: Is your business formally registered?

- 1. Yes 2. No

Q12: If Yes to Q11, what type of business registration is it?

- 1. Sole Proprietor 2. Private Limited Company
- 3. Partnership                      4. Cooperative/MSE                      5. Others (specify).....

Q13: Where is the location of your business? .....

#### C- ETP Outcomes

Q14: Have you found it necessary to write a Business Plan after Genius ETW training?

- 1. Yes 2. No

Q15: If Yes to Q14, did you write the Business Plan by yourself?

- 1. Yes 2. No

Q16: Have you been able to access any funding / financial support using the Business Plan?

- 1. Yes 2. No

Q17: If Yes to Q16, from which source?

- 1. Personal saving 2. Microfinance institutions                      3. Family or relatives
- 4. Money Lenders 5. Commercial Banks                      6. NGOs

Q18: Were you maintaining business records before Genius ETW training?

- 1. Yes 2. No

Q19: If Yes to Q18, has your record keeping improved? 1. Yes 2. No

Q20: If No to Q19, have you started keeping records after the Genius ETW training?

- 1. Yes 2. No

Q21: Have you get any post-training business advisory services from Center?

- 1. Yes 2. No

Q22: How many employee/s have you recruited after taking Genius training? -----

Q23: How much was your start-up capital? \_\_\_\_\_ birr

Q24. Did your sales volume grow after Genius ETW training?

1. Yes 2. No

Q25: If Yes to Q24, by how much do you think your sales volume increased?

1. One-fourth 2. Half 3. Double 4. More than double

Q26: Did your profit grow after Genius ETW training? 1. Yes 2. No

Q27: If Yes to Q26, by how much do you think your profit increased?

1. One-fourth 2. Half 3. Double 4. More than double

Q28. By how much do you think your current total asset increased?

1. One-fourth 2. Half 3. Double 4. More than double

Q29: What is/was the most pressing challenge you face in your business activities?

Q30: How is your satisfaction level with the Genius ETW training services?

1. Low 2. Somewhat good 3. Good 4. Very good 5. Excellent

Q31: If you have any feedback on the Genius training and services, please comment;

Thank You!

## **APPENDIX B: Semi-Structured Interview Questions for Genius Trainers**

1. What is the Genius Training Center vision and objective (s)?
2. How many certified trainers and business advisors the Center has?
3. How many training sessions did you conduct so far and total graduates?
4. What are the primary methods of marketing & promotion about your training services?
5. Do you have Central Database system, Monitoring and Evaluation system of your performance?
6. Have you conducted any impact assessment of the trainings so far? If so how was it?
7. What types of training model do use? Do you have organized and customized training module? Do you have post-training business advisory services?
8. What are the main challenges you encountered for the success path of the Center?
9. How do you evaluate its progress towards achieving the intended goals in general?
10. Are you satisfied with the progress of the Center?

Thank You!

## **APPENDIX C: Semi-Structured Interview Questions for the Current Trainees**

1. What is your business and educational backgrounds?
2. How is the training delivery method of this Genius ETW training?
3. What main topics and contents that the Genius training cover as you have learned so far?
4. What training materials do the Genius training use?
5. Do you perceive some changes that you have brought due to this training?
6. Have you satisfied and motivated by the Genius training?



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